

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – March 28, 2016
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08611
10:00 AM**

Meeting was called to order by Chairman Mair. Ms. Dodd read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

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| Andrew A. Mair | Present |
| K. Megan Clark Hughes | Absent |
| Raissa Walker | Present |

FUND PROFESSIONALS PRESENT:

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| Executive Director | PERMA Risk Management Services Joseph Hrubash |
| Claims Service | Inservco Insurance Services, Inc. Nancy Fowlkes Keith Platt Matthew Baron |
| Managed Care Services | Conner Strong & Buckelew Danielle Batchelor |
| Risk Management Consultant | First MCO Kelly Royce |
| Attorney Treasurer | Borden Perlman Salisbury & Kelly Doug Borden |
| Safety Director | J.A. Montgomery Risk Control Glenn Prince |

ALSO PRESENT:

Thomas J. Walls, Jr. Capehart Scatchard, PA
Lora V. Northern, Capehart Scatchard, PA
Susan Schaefer, Susan Schaefer, LLC
Aaron T. Watson, Mercer County
Lillian Nazzaro, Esq., Mercer County
Rachel Chwastek, PERMA Risk Management Services
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF MARCH 3, 2016

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF MARCH 3, 2016

Moved: Chairman Mair
Second: Commissioner Walker
Vote: 2 Ayes, 0 Nays

Chairman Mair thanked everyone for their cooperation in rearranging the agenda to have all of the action items discussed first as he had another meeting to attend. Executive Director advised a revised agenda page was distributed and the first item for approval would be the March Bill List.

TREASURER REPORT: Chairman Mair advised the Treasurer was not present. Chairman Mair advised the March Bill List, Resolution 21-16, was included in the agenda.

MOTION TO APPROVE RESOLUTION 21-16, MARCH BILL LIST IN THE AMOUNT OF \$47,802.94

Moved: Commissioner Walker
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

Executive Director advised the monthly Treasurer Reports were included in the agenda.

CLAIMS SERVICE:

Executive Director advised Resolution 22-16, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of February 1, 2016 to February 29, 2016.

MOTION TO APPROVE RESOLUTION 22-16 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

Moved: Chairman Mair
Second: Commissioner Walker
Vote: 2 Ayes, 0 Nays

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 23-16 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 23-16 FOR EXECUTIVE SESSION

Moved: Commissioner Walker
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

MOTION TO RETURN TO OPEN SESSION

Moved: Commissioner Walker
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

MOTION TO APPROVE THE PARS/SARS DISCUSSED IN CLOSED SESSION

Moved: Commissioner Walker
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

MOTION TO APPROVE THE DECISION FOR ATTORNEY LORA V. NORTHEN (CAPEHARDT & SCATCHARD) TO FILE A MOTION TO STAY THE PAYMENT OF MEDICAL AND TEMPORARY BENEFITS PURSUANT TO COURT ORDER AND FILE THE NOTICE OF INTERLOCUTORY APPEAL IN THE MATTER OF AL LONGSTREET, CLAIM PETITION NUMBER 2015-7384, INSERVCO CLAIM NUMBER #3960000571

Moved: Commissioner Walker
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

EXECUTIVE DIRECTOR REPORT: Executive Director advised there was no correspondence and reported he had one action item for his report.

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of February 16, 2016 to March 16, 2016. There were fifteen (15) certificates of insurances issued during this period. Executive Director asked if there were any questions and requested a motion.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved: Commissioner Walker
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director advised last month he reported the CEL held its 2016 Reorganization meeting on February 25, 2016. Executive Director advised a summary report of the meeting was included in the agenda. Executive Director asked if anyone had any questions regarding the summary. Executive Director noted the CEL would meet again on Tuesday, April 26, 2016 at 1:00 PM.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director advised the January Financial Fast Track was included in the agenda. The Commission had a surplus of \$3,196,836 as of January 31, 2016. Executive Director also referred to line 9 of the report, "Investment in Joint Venture" and indicated \$435,787 of the surplus was the MCIFC's share of the CEL JIF equity. Executive Director noted the total cash balance was \$516,117.

NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the January Financial Fast Track was included in the agenda. Executive Director advised as of January 31, 2016 the Fund had a surplus of \$6,222,795 and a total cash figure of \$8,592,052. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

CLAIMS TRACKING REPORTS: Executive Director reported the agenda included the claim monitoring reports as of February 29, 2016. Executive Director advised he reviewed the "Claims Activity Report" and noted he did not see any anomalies other than there were 13 new property claims opened in February. Mr. Platt advised his office did research the claims and noted there were numerous auto property claims reported and most were due to driver error, such as backing into objects and a few windshield claims. Executive Director also reviewed the "Claims Management Report Expected Loss Ratio Analysis" report. Executive Director advised this report was another method to determine how the Commission was operating. Executive Director reported for the Fund years of 2014 and 2015 the Commission was running better than the actuary projected and that was also reflected in the financial fast track. Executive Director noted the Financial Fast track reflected a significant surplus for both years. Executive Director asked if anyone had questions on the claim reports.

POLLUTION COVERAGE: Executive Director reported the CEL Underwriting Manager was waiting for the completed application from the County to obtain a pollution quote. Mr. Borden advised the task of accessing the County's exposure was an immense project as pollution coverage was never purchased previously. Mr. Borden noted the application was a work in progress project.

Executive Director advised two items were carried forward from last month. Executive Director noted the first was the **Alternate Commissioner**. Chairman Mair advised a request for the alternate Commissioner was submitted in writing to the County Executive for consideration.

Executive Director advised the last item was the **Mercer County Correction Facility**. Executive Director advised he provided a list of items needed to determine the effect on the loss funds for the Commission and also at the CEL level. Executive Director noted his office wanted to help in any way possible regarding the facility. Chairman Mair thanked the Executive Director for the list and advised he recently asked Mr. David Miller if he still needed the information. In response to Executive Director's inquiry, Chairman Mair indicated the plan was still the same for the Correctional Facility however, the timeline was not certain at this time.

Executive Director advised that concluded his report unless anyone had any questions.

Executive Director's Report Made Part of Minutes.

SAFETY COMMITTEE: Mr. Prince reported the Safety & Accident Committee last met on March 16th and was scheduled to meet again on April 20th.

CLAIMS COMMITTEE: Ms. Batchelor reported the Claims Committee met prior to the Commission meeting today and discussed the PARS that were presented during closed session. Ms. Batchelor advised that concluded her report unless anyone had any questions.

MANAGED CARE: Ms. Royce advised she would review the Managed Care Report which was included in the agenda. Ms. Royce reported for the month of February provider bills were received in the amount of \$88,857 and First MCO re-priced the bills to \$55,542 for a savings of \$33,315 or 37%. In response to Chairman Mair's inquiry, Ms. Royce advised the PPO penetration was 90%. Ms. Royce advised that concluded her report unless anyone had any questions.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the February - March Risk Control Activity Report which was included in the agenda. Mr. Prince noted the training schedule for the month of February was also included in the agenda. Mr. Prince applauded the County for their participation in the training program. Mr. Prince noted many of the training sessions conducted in February were found on the most commonly cited PEOSH citation lists. Mr. Prince referred to a copy of the Safety Director Bulletin, "Fire Extinguisher Essentials" which was included in the agenda. Mr. Prince stated with regard to the recent discussion on motor vehicles accidents there were a variety of training classes available such as instructor led or on-line courses. Mr. Prince advised he would discuss further with Mr. Sloane so he could make recommendations as he visited the different departments to decrease the accidents. Mr. Prince advised that concluded his report unless anyone had any questions.

RISK MANAGER CONSULTANT: Mr. Borden advised he had four issues with the renewal policies and Conner Strong & Bucklew did a good job of making the improvements. Mr. Borden advised there was a bond exclusion on the AIG policy. Mr. Borden advised AIG consented to remove the bond exclusion for some of the Commissions; however they would not remove for Mercer. Mr. Borden explained Mercer County's outstanding bond amount exceeded its bond authority thus failing to meet AIG's total bond authority requirement and Mercer County Improvement Authority's did not meet AIG's bond ratio requirement. Mr. Borden indicate he shared with Chairman Mair the exclusion the other day and Mr. Borden advised he felt this was not a big issue. Executive Director asked Mr. Borden to ensure that the applications were completed correctly. Ms. Ortiz advised she would review again. In response to Chairman Mair's inquiry, Mr. Borden thought the exclusion should be accepted and he would give Chairman Mair a copy again. Chairman Mair requested Ms. Nazzaro follow up with Mr. Borden on this issue. Executive Director again asked Mr. Borden to review the applications and put something in writing.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN THE MEETING TO THE PUBLIC

Moved: Chairman Mair
Second: Commissioner Walker
Vote: 2 Ayes, 0 Nays

Seeing no members of the public wishing to speak Chairman Mair asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE MEETING TO THE PUBLIC

Moved: Commissioner Walker
Second: Chairman Mair
Vote: 2 Ayes, 0 Nays

MOTION TO ADJOURN:

Moved: Commissioner Hughes
Second: Chairman Mair
Vote: 3 Ayes, 0 Nays

MEETING ADJOURNED: 10:53 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary